

Meeting
07/11/14

Agenda Item
19

Reference No
HEFCW/14/91

1 Issue

- 1.1 This paper provides an update on the progress of this Bill through the legislative process, the implications for HEFCW, the HE sector, and the intended timescales.

2 Corporate planning implications / Rationale for paper

- 2.1 The intention of the Bill is to ensure that governance, and decision making of all Welsh Government public sector bodies in Wales is driven by the goals, set out within this legislation. It is proposed that this will be achieved primarily by introducing a requirement upon Welsh Government public sector bodies to demonstrate that their strategic objectives, corporate planning ,and annual reporting fully demonstrate coherence with the proposed goals of the legislation and that sustainable development becomes the central organising principle.

3 Recommendation

- 3.1 The Council is invited to:
- i. To note the contents of this paper.

4 Timing for decisions

- 4.1 No decisions are required at this meeting.

5 Council members' interests

- 5.1 No conflicts of interests have been declared in advance of the meeting.

6 Further information

- 6.1 Contact Chris Cowburn (Tel 029 2068 2247) E-mail: chris.cowburn@hefcw.ac.uk

7 Background

- 7.1 In May 2012 the Welsh Government published an initial consultation setting out its broad intentions to develop a Sustainable Development Bill. This was followed by a white paper in December 2012, a summary of which was presented to Council on 25 January 2013 together with a suggested response by HEFCW and accompanied by a presentation on the Bill by the Welsh Government.

8 Development of the Future Generations Bill

- 8.1 Following the publication of the responses to the white paper in May 2013 the Welsh Government established a working group to support the intended development of the legislation and to consider in detail the white paper responses. The draft Future Generations Bill (Wales) was published in July 2014, having been modified in response to the comments made on the earlier white paper. The main areas of change are:-

Clarity over Definitions

- 8.2 Although the original intentions of the Bill remain largely unchanged there has been significant change to both the proposed title of the legislation, which has changed to the Future Generations Bill (Wales), and the definitions and narrative which support it, this has placed a greater emphasis on effective long term decision making that protects and enhances the physical, social, and economic environment for the benefit of future generations.

A Greater Emphasis on Collaborative Working and Planning

- 8.3 The report of the Williams Commission on the future structure of local government in Wales has been influential in shaping the area based reporting mechanism within the legislation as it now identifies public service boards (comprising the main public sector bodies within a region of Wales) as the primary vehicle for area based reporting rather than individual local authorities. The public service boards will be given the power to establish planning and reporting groups and to invite other non-public service bodies to participate (this includes higher education institutions). Those organisations that have a Wales wide role such as HEFCW are required to plan and report separately but can be consulted or invited to participate within local service boards. The main requirements of the legislation remain as: an obligation to identify how the organisation will support the delivery of the six key well-being goals¹; the setting of key performance indicators to measure performance against proposed targets; and a process of annual reporting.

The Development of Guidance on Reporting

- 8.4 Although the detailed format of reporting is not contained within the legislation considerable thought has been given as to appropriate reporting mechanisms. Concern was expressed previously in the consultation responses that the existing basis of performance reporting for most public sector bodies, particularly local authorities, was largely predetermined and did not lend itself to the reporting style envisaged within the legislation. It is anticipated that the reporting requirement will follow the Integrated Reporting Model which has already been adopted in other countries where sustainable development has been embedded within legislation.

¹ See Annex A

The Establishment of Timescales Consistent with Electoral Cycles

- 8.5 The draft bill contains a timescale for each of the key actions by the Welsh Ministers, Future Generations Commissioner, and Public Service Boards. In essence this requires the Welsh Government to publish a Future Trends Report containing a statistical analysis of performance within one year of Welsh Government elections. This must then be followed within 6 months by a further report outlining actions intended to address the concerns raised within the Future Trends Report. A broadly similar timescale applies to local service boards who are required to prepare an assessment of well-being for their region prior to a general election and to produce a well-being plan within one year of an election.

The Development of Detailed Guidance to Support the Implementation of the Bill

- 8.6 Although the draft legislation has outlined the framework of documents and roles for this legislation it is intended that this will be supported by further detailed guidance. This is likely to provide more information around the format and content of annual reports as well as further clarifying the role of the Welsh Audit office in supporting the implementation of the legislation.

The bill is currently subject to the scrutiny of the National Assembly for Wales Environment and Sustainability Committee initially and may well be subject to further significant change before approval.

9 The implications for HEFCW

- 9.1 As proposed within the white paper the legislation as currently drafted will not apply to the higher education sector other than as potential invitees of local service boards. This will present a significant challenge for HEFCW in that its ability to define appropriate well-being objectives within our own corporate planning will be limited to those areas where we are able to exert sufficient influence over the sector through funding, fee planning or other statutory powers. Whilst fee planning will support activities around equalities and the promotion of higher education it offers limited leverage in respect of environmental, social, or economic sustainability.
- 9.2 The timescales set out within the draft legislation envisage that the Bill will receive Royal Assent in spring 2015 and will come into force for HEFCW and most public sector bodies in April 2016. The normal approach to compliance with this legislation would be through the inclusion of appropriate measures and objectives within the Corporate Plan. The intention at the moment is to integrate the requirements of the Bill within the new HEFCW Corporate Strategy though the new strategy is not currently planned to be implemented before April 2017. If timescales preclude this we will look to ensure compliance through the introduction of an additional separate strategy.

10 Financial implications

- 10.1 It is not anticipated that this legislation will have significant financial implications for HEFCW beyond the provision of additional staff time to ensure compliance.

11 Communications implications

- 11.1 HEFCW will continue to work with the HE sector in Wales on this agenda and look to encourage voluntary support of the legislation through participation in the Sustainable Development Charter. HEFCW will be required to publish a report indicating our Future Generations Bill targets and the intended actions to support delivery of these targets. There is also a requirement to produce an annual public report identifying progress in achieving the stated objectives.

12 Diversity and equal opportunities implications

- 12.1 This paper has no direct implications for age, disability, marital/civil partnership, maternity/pregnancy, race, religion or belief, sex, sexual orientation, any other protected characteristic or Welsh Language. It is likely however that the Future Generations Bill targets will contain positive commitments to support diversity and equal opportunities.
- 12.2 We have a legal responsibility to assess the impact of our work on equality groups (age, disability, gender, race, religious belief and sexual orientation), and to set out how they will monitor or address any possible negative impact. A desk-based initial screening will be completed during the developmental stages of any policy and before it is presented to Council.

13 Risk Assessment

Risk	Action to address risk
That HEFCW is unable to deliver substantive progress on the identified goals due to the exclusion of the HE sector from this legislation.	HEFCW has made this concern known to the Welsh Government and will seek to minimise the risk through continued engagement with the sector on this agenda.